Lifelong learning

It's the quality of professional development rather than quantity per se that will maintain or improve standards, says **Jon Moulton**

For many years, there has been a requirement that for ACAs to stay in practice they must make a continuous professional development (CPD) declaration – self-certifying that they are keeping up to speed by participating in a process of 'lifelong learning'. It is perhaps a polite way of acknowledging that we are more likely to forget things as we get older. It's also recognition of the fact that the amount of things ACAs are expected to know seems to expand at an ever-increasing rate.

I'm sure that covering updates on all the stuff needed to reach an exam-pass level of Chartered Accountant capability would mop up a substantial fraction of our peers' time each year. Also, people would be updating themselves on things largely irrelevant to their daily activity.

But the system has relied on the honest reporting of members and, mercifully, no one was asking for this level of CPD. However, in an effort to clearly demonstrate to the world that ACAs are competent and on the ball, from November the 'loose' system of self-reporting on CPD activities will be underpinned by a more rigid, quantifiable system of 'minimum' and 'verifiable' hours spent in CPD activities.

There are 30-odd requirement descriptions, which must be negotiated to work out which of the seven CPD categories you fall into. Those in the most exacting category – advisers involved in larger audits or more complex and/or risky roles – must complete 40 CPD hours per annum, of which 30 are verifiable. The lowest level of CPD requirement (for those in an unpaid charity role) is a one-hour ethics course, another hour on charities and an hour of record-filling time – three in total. All members must complete the ethics training, although I don't think ethics should change from one year to the next.

Even the three CPD hours or so expected of an unpaid charity trustee would, at common charge-out rates, cost more than the Institute annual membership.

As usual, rules are quite complex and full of issues. For example, if your only accounting-related activity is being NED of a public interest entity – perhaps a relatively simple plc – you are also obliged to do those 40 hours of CPD. As you may have committed to, say, 200 hours for the NED role each year, this is enough to make you wonder about the need to continue as an Institute member.

Arguably, CPD is much more needed in the case of audit partners of large and complex plcs, but actually the CPD changes probably require very little to be added to their existing internal training.

The new rules include a requirement to complete an annual CPD record (it is unclear whether the hour needed to complete this contributes to the overall hours required). And while there is verification of hours, there is not necessarily a verification of quality. For example, members can nominate their own objectives and the link to being an ACA may be tenuous – such as presentation skills training. Quality, not quantity, is key – and in the way that the old system trusted members' judgement on both quantity and quality, the new system will only deliver lifelong learning if members choose quality CPD.

What are you reading?

Reading, say, the *FT* or the *Economist* will be fine for completing unverified hours, and soon time spent with *Corporate Financier* can account for verifiable hours. A mere registration email will be satisfactory evidence of attending a webinar. In my view, a member should be able to nominate enough non-verifiable hours to deal with any enquiry regarding compliance. Unconvincing or not, you will have to keep evidence of verifiable hours for three years – a minor bind. Convictions for failing to complete CPD can confidently be forecast to be rare.

The basic, and arguable, premise of CPD seems to be that passing hours in CPD activities will be worthwhile. But teaching – and CPD is not that – does not inevitably lead to learning. While I can see potential utility in the ethics course, I am more sceptical about the other CPD activities. They will not result in higher quality work (but that might not be its aim). A periodic exam system might. However, adopting such a system could be less than popular.

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